

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 991

H. P. 854

House of Representatives, March 12, 1975

Reported by Mr. Snow from the Committee on Labor and printed under
Joint Rules No. 18.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Penalties and Employee Remedies for Unpaid Wages.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 26 MRSA § 622, last sentence, is amended to read:

Nothing contained in sections 621 to ~~622~~ 623 shall excuse any employer mentioned in section 702 from keeping the records required by said section 702.

Sec. 2. 26 MRSA § 623, first and 2nd sentences, are amended to read:

~~Sections 621 to 622~~ This section and sections 621 and 622 shall not apply to an employee of a cooperative corporation or association if he is a stockholder therein, unless he requests such corporation to pay him weekly. No corporation, contractor, person or partnership shall by a special contract with an employee or by any other means exempt himself or itself from the provisions of sections 621 to ~~622~~ this section and sections 621 and 622.

Sec. 3. 26 MRSA § 624 is repealed as follows:

§ ~~624~~. Penalties

~~Whoever violates any of the provision of section 621 to 623 shall be punished by a fine or not less than \$25 nor more than \$50~~

Sec. 4. 26 MRSA § 626 is repealed and the following enacted in place thereof:

§ 626. Cessation of employment

Any employee leaving his or her employment shall be paid in full within a reasonable time after demand at the office of the employer where payrolls are

kept and wages are paid. Whenever the terms of employment include provisions for paid vacations, vacation pay on cessation of employment shall have the same status as wages earned.

For purposes of this subchapter, a reasonable time shall mean the earlier of either the next day on which employees would regularly be paid or a day not more than 2 weeks after the day on which the demand is made.

In any action for unpaid wages brought under this subchapter, the employer shall not deduct as a setoff or counterclaim any moneys allegedly due the employer as compensation for damages caused to the employer's property by the employee, or any moneys allegedly owed to the employer by the employee, notwithstanding any procedural rules regarding counteractions; provided that any loan or advance against future earnings or wages may be deducted if evidenced by a statement in writing signed by said employee; and that nothing in this section shall be construed to limit or restrict in any way any rights which the employer now has to recover, by a separate legal action, any moneys owed said employer by said employee.

Sec. 5. 26 MRSA §§ 626-A and 626-B are enacted to read:

§ 626-A. Penalties

Whoever violates any of the provisions of sections 621 to 623 or section 626 shall be punished by a fine of not less than \$100 nor more than \$500 for each violation.

Any employer shall be liable to the employee or employees for the amount of unpaid wages. Upon a judgment being rendered in favor of any employee or employees, in any action brought to recover unpaid wages under this subchapter, such judgment shall include, in addition to the unpaid wages adjudged to be due, a reasonable rate of interest, an additional amount equal to twice the amount of such wages as liquidated damages and costs of suit including a reasonable attorney's fee.

The suit for unpaid wages may be brought by either the affected employee or employers or by the bureau. The bureau is further authorized to supervise the payment of the judgment.

§ 626-B. Collective bargaining exceptions

No employer shall be deemed to have violated section 626 when pursuant to a written and signed agreement made as a result of collective bargaining by representatives of employees, unpaid wages are paid within a different time period or a setoff or counterclaim is set up and where the contract or agreement specifies the length of the time period or the precise nature of the setoff or counterclaim, respectively.

STATEMENT OF FACT

The penalty for failure to pay wages or earned vacation pay is too small to provide a deterrent to the employer who refuses or delays payment. The purposes of this bill are:

1. To provide a greater deterrent ;
2. To clarify the meanings of the phrases "reasonable time" and "wages earned," and items not deductible for the final wage payment ;
3. To provide flexibility for collective bargaining by permitting agreements to be negotiated which specify different "reasonable times" and deductible items ; and
4. To authorize the State to sue on behalf of employees for unpaid wages and to supervise payment of judgments for unpaid wages.